# THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers                                        28 April 1977

MEMORANDUM FOR:   Deputy to the DCI for National Intelligence
                  Associate Deputy to the DCI for National Intelligence

STAT        FROM            :   [                          ]
                                Executive Officer, DCI/NI

            SUBJECT         :   Setting Intelligence Community Priorities


1.   The DCID 1/2 Ad Hoc Working Group has now completed its annual review of the DCID 1/2 priorities matrix, which this year contained 13,031 boxes. The exercise followed the IC Staff's receipt of the recommendations for the numbers that should go in those boxes from the National Intelligence Staff, INR, Treasury, CIA, DIA, Army, Navy, Air, and several DCI committees. The exercise took the better part of five days. The process was one of compromising differences; if one of the members of the Working Group felt particularly strongly, he usually got his way. The people who attended these meetings and made the compromises were professional representatives and requirements officers who, though they reflected the desiderata of the analysts in their organizations, had no particular substantive understanding of the issues involved.

2.   The National Intelligence Officers have already been involved in this process at two points: they reviewed the numbers on last year's chart and recommended changes; then, when the computer spit out an arithmetic average of all the recommendations, they reviewed the results and indicated which they could not accept. The NIOs will next review the results of the Working Group's compromises and, after this final working over, then review the final document the Working Group sends to NFIB for official approval.


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3. The priorities process and the Working Group's composition pose a number of problems:

   a. Because the final numbers are decided upon without serious debate of the substantive issues involved, substance is not controlling priorities.

   b. The final product is supposed to be the DCI's guidance to the Intelligence Community; in fact, it is a compromised compilation of the priorities the Community wants assigned to its activities.

   c. In the case of our Staff, the product is very expensive in terms of the time the NIOs spend on it, especially when one considers that its utility seems to be mainly in the cosmetic area of demonstrating to overseers that the Intelligence Community has a management system. In fact, raising or lowering the priorities in this document seems to have little effect on the activities of program managers, and most program managers do not account for the use of their resources in a way that would allow one to determine whether or not they are following the guidance contained in the document.

4. Before one dismisses the priorities and Working Group completely out of hand, it is worth noting:

   a. In this age of computerized management and management-information systems and of accountability for use of federal resources, the priorities could be used by a DCI as one tool to control the Intelligence Community and to account for his stewardship. For such a conversion, considerably more resources and clout would have to be invested in the process -- e.g., the DCI would have to order the Community to account for their recourses against his priorities and then form an audit staff to make it less likely that the agencies fiddled the figures.

   b. If a priorities document must be produced, there is no institution in existence that can better than the Working Group make tradeoffs between the priorities assigned to various types of intelligence -- i.e., military, economic, political, etc. -- and between the various geographic regions which are intelligence targets.

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     5.  As matters now stand, however, the National Intelligence Staff is spending too much effort on the DCID 1/2 exercise. When the cycle comes round again to the annual review of these priorities, the Staff should insist that it is the reviewer of the final result, rather than a contributor. We would interpret this in practical terms to mean that the NIOs would review the final product that the Working Group sends to NFIB principals and accordingly advise the DCI of the changes he should make in it. That would be our only participation on the process.

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